

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	139.49	5.00	1.00	145.49	5.00	1.00	145.49	145.49
Personal Services	5,321,854	553,700	69,844	5,945,398	553,956	212,976	6,088,786	12,034,184
Operating Expenses	2,069,914	903,530	15,060	2,988,504	911,179	15,060	2,996,153	5,984,657
Equipment	277,408	33,573	0	310,981	(43,027)	0	234,381	545,362
Benefits & Claims	0	0	0	0	0	0	0	0
Total Costs	\$7,669,176	\$1,490,803	\$84,904	\$9,244,883	\$1,422,108	\$228,036	\$9,319,320	\$18,564,203
General Fund	521,689	(14,522)	15,411	522,578	(10,973)	22,244	532,960	1,055,538
State/Other Special	6,622,614	482,251	37,004	7,141,869	406,458	158,468	7,187,540	14,329,409
Federal Special	524,873	1,023,074	32,489	1,580,436	1,026,623	47,324	1,598,820	3,179,256
Total Funds	\$7,669,176	\$1,490,803	\$84,904	\$9,244,883	\$1,422,108	\$228,036	\$9,319,320	\$18,564,203

Agency Description

The Department of Livestock is responsible for controlling and eradicating animal diseases, preventing the transmission of animal diseases to humans, protecting the livestock industry from theft and predatory animals, and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive officer; the Livestock Crimestoppers' Commission; and the Beef Research and Marketing Committee. The department is organized into five divisions: Animal Health, Centralized Services, Brand-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The 57th Legislature added the Board of Horse Racing and its staff to the Department of Livestock. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

Summary of Legislative Action

Department of Livestock Major Budget Highlights
<ul style="list-style-type: none"> ○ All general fund support is removed from the Centralized Services Division ○ The legislature accepted a proposal for the department to raise fees charged by the diagnostic laboratory to accommodate reduced general fund within the division and make the laboratory more self-supporting ○ The approved budget continues the department's participation in the state-federal cooperative agreement for Brucellosis Management and the Greater Yellowstone Interagency Brucellosis Committee ○ The legislative budget increases general fund and federal special revenue in the Meat and Poultry Inspection Program to add 1.00 FTE meat inspector ○ The legislative budget includes a reduction of approximately \$15,000 general fund over the biennium, which represents the department's share of a statewide personal services reduction

The legislative budget is \$12,160 general fund and \$3.2 million total funds higher than fiscal 2002 base expenditures. As noted above, continuation of the department's participation in brucellosis management activities accounts for \$2.0 million of the increase. The remaining increases can be related to two areas:

- Funding for all authorized FTE included in statewide present law adjustments
- Various present law adjustments for operating costs within the agency

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2005 Biennium Budget					
<u>Agency Program</u>	<u>General Fund</u>	<u>State Spec.</u>	<u>Fed Spec.</u>	<u>Grand Total</u>	<u>Total %</u>
Centralized Services Program	\$ -	\$ 4,132,125	\$ 130,060	\$ 4,262,185	23.0%
Diagnostic Laboratory	183,822	2,717,650	-	2,901,472	15.6%
Animal Health Division	-	1,354,174	2,109,613	3,463,787	18.7%
Milk & Egg Program	-	453,511	64,550	518,061	2.8%
Brands Enforcement Division	-	5,658,999	-	5,658,999	30.5%
Meat/Poultry Inspection	871,716	12,950	875,033	1,759,699	9.5%
Grand Total	\$ 1,055,538	\$ 14,329,409	\$ 3,179,256	\$ 18,564,203	100.0%

Other Legislation

House Bill 311 - HB 311 repeals the assessment of \$0.1497 per hundredweight (cwt) on Class I milk. HB 311 authorizes the Board of Livestock to annually set the fee on all classes of milk produced in Montana commensurate with the cost of milk inspections conducted by the Milk and Egg Bureau and milk testing functions performed at the Diagnostic Laboratory in Bozeman. Revenue estimates included in the legislative budget anticipate increased fees for some classes of milk.

Senate Bill 395 - SB 395 establishes the sport hunting of bison as a management tool. Based upon the established bison management plan, it is assumed that an environment impact assessment would be necessary. The Department of Livestock would split the cost with the Department of Fish, Wildlife, and Parks. It is estimated that the Department of Livestock's share would be \$12,500 and would be paid out of federal bison management funds.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 2002	Executive Budget Fiscal 2004	Legislative Budget Fiscal 2004	Leg – Exec. Difference Fiscal 2004	Executive Budget Fiscal 2005	Legislative Budget Fiscal 2005	Leg – Exec. Difference Fiscal 2005	Biennium Difference Fiscal 04-05
FTE	139.49	145.49	145.49	0.00	145.49	145.49	0.00	
Personal Services	5,321,854	5,909,371	5,945,398	36,027	5,909,555	6,088,786	179,231	215,258
Operating Expenses	2,069,914	2,988,504	2,988,504	0	2,996,153	2,996,153	0	0
Equipment	277,408	310,981	310,981	0	234,381	234,381	0	0
Benefits & Claims	0	0	0	0	0	0	0	0
Total Costs	\$7,669,176	\$9,208,856	\$9,244,883	\$36,027	\$9,140,089	\$9,319,320	\$179,231	\$215,258
General Fund	521,689	528,105	522,578	(5,527)	531,618	532,960	1,342	(4,185)
State/Other Special	6,622,614	7,104,865	7,141,869	37,004	7,029,072	7,187,540	158,468	195,472
Federal Special	524,873	1,575,886	1,580,436	4,550	1,579,399	1,598,820	19,421	23,971
Total Funds	\$7,669,176	\$9,208,856	\$9,244,883	\$36,027	\$9,140,089	\$9,319,320	\$179,231	\$215,258

Executive Budget Comparison

The legislature reduced general fund by a net of approximately \$4,000 over the biennium, while total funds increase by over \$200,000 over the Executive Budget. The legislature reduced general fund by approximately \$15,000 over the biennium, which represents the department's share of a statewide personal services reduction. This reduction was applied to one program, and language was added allowing the department to reallocate among programs as necessary. The differences shown above also include funding included in HB 13, the state pay plan bill, which added approximately \$11,000 general fund, \$195,000 state special revenue, and \$24,000 federal special revenue authority over the biennium.

Additionally, the legislature added language directing the department to report to the 2005 legislature on status of and issues concerning brucellosis management efforts undertaken by the department.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	23.28	0.00	0.00	23.28	0.00	0.00	23.28	23.28
Personal Services	907,277	92,510	6,976	1,006,763	91,216	29,941	1,028,434	2,035,197
Operating Expenses	992,274	112,356	0	1,104,630	102,084	0	1,094,358	2,198,988
Equipment	82,326	(68,326)	0	14,000	(68,326)	0	14,000	28,000
Total Costs	\$1,981,877	\$136,540	\$6,976	\$2,125,393	\$124,974	\$29,941	\$2,136,792	\$4,262,185
General Fund	14,204	(14,204)	0	0	(14,204)	0	0	0
State/Other Special	1,875,111	178,276	6,976	2,060,363	166,710	29,941	2,071,762	4,132,125
Federal Special	92,562	(27,532)	0	65,030	(27,532)	0	65,030	130,060
Total Funds	\$1,981,877	\$136,540	\$6,976	\$2,125,393	\$124,974	\$29,941	\$2,136,792	\$4,262,185

Program Description

The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, and general services functions for the department. The staff attorney in this division provides legal services to the department. The division also provides the overall management of the Milk Control Bureau. The Predator Control Program is administered by the Board of Livestock and the executive officer. The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are administratively attached. The 57th Legislature moved the Board of Horse Racing to the Department of Livestock. This board and its staff report directly to the executive officer.

Program Narrative

Centralized Services Division Major Budget Highlights	
<ul style="list-style-type: none"> ○ All general fund support is removed from the Centralized Services Division ○ Increase in other funds is due to computer replacement, miscellaneous operating expenses, and the statewide pay plan, partially offset by a decrease in information technology expenses 	

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium.

Program Funding Table Centralized Services Program						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 14,204	0.7%	\$ -	-	\$ -	-
02029 Board Of Horse Racing	176,392	8.9%	202,172	9.5%	205,477	9.6%
02426 Lvstk Per Capita	1,525,351	77.0%	1,673,493	78.7%	1,677,521	78.5%
02817 Milk Control Bureau	173,368	8.7%	184,698	8.7%	188,764	8.8%
03209 Meat/Poultry Inspection Sp Rev	65,030	3.3%	65,030	3.1%	65,030	3.0%
03427 Brucellosis Mgmt Federal Funds	27,532	1.4%	-	-	-	-
Grand Total	\$ 1,981,877	100.0%	\$ 2,125,393	100.0%	\$ 2,136,792	100.0%

The program is funded with state and federal special revenues. The Board of Horse Racing is funded entirely with board of horse racing state special revenue funding. Additional state special revenue is from the livestock per capita and milk

control bureau state special revenue funds. Federal funds are from federal meat and poultry inspection funding. Through the 2003 biennium, division operations were partially funded with general fund. However, all general fund has been removed for the 2005 biennium.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				123,491						122,141
Vacancy Savings				(41,231)						(41,175)
Inflation/Deflation				5,370						5,633
Fixed Costs				65,301						54,068
Total Statewide Present Law Adjustments				\$152,931						\$140,667
DP 6 - Computer Server Replacements	0.00	0	14,000	0	14,000	0.00	0	14,000	0	14,000
DP 11 - Board Per Diem	0.00	0	10,250	0	10,250	0.00	0	10,250	0	10,250
DP 12 - I. T. Minor Equipment and Software	0.00	0	(56,120)	0	(56,120)	0.00	0	(55,670)	0	(55,670)
DP 13 - Out-of-State Travel	0.00	0	4,731	0	4,731	0.00	0	4,731	0	4,731
DP 18 - Board of Horse Racing Building Rent	0.00	0	6,311	0	6,311	0.00	0	6,435	0	6,435
DP 19 - Board of Horse Racing In-State Lodging	0.00	0	4,437	0	4,437	0.00	0	4,561	0	4,561
Total Other Present Law Adjustments	0.00	\$0	(\$16,391)	\$0	(\$16,391)	0.00	\$0	(\$15,693)	\$0	(\$15,693)
Grand Total All Present Law Adjustments				\$136,540						\$124,974

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 6 - Computer Server Replacements - The legislature approved \$14,000 in state special revenue authority to replace one server in each year of the biennium, in accordance with the department's four-year replacement plan.

DP 11 - Board Per Diem - The legislature approved \$10,250 in state special revenue authority each year of the biennium to fund zero-based per diem costs for the Board of Livestock, the Board of Horse Racing, and the Milk Control Board. Per diem for the Board of Livestock and the Milk Control Board is carried over at the base year level, while per diem for Board of Horse Racing is based on the projected number of meetings (six, versus two in the base year).

DP 12 - I. T. Minor Equipment and Software - The legislature approved a reduction of approximately \$56,000 in state special revenue authority in each year of the biennium to adjust for projected computer equipment purchases. Reasons given by the department for the decrease include reductions in the price of hardware, reductions in the amount of hardware necessary in the department, and removing one-time-only start up costs related to the Diagnostic Laboratory's Lab Information Management System.

DP 13 - Out-of-State Travel - The legislature approved \$4,731 state special revenue authority in each year of the biennium to adjust base year travel expenditures to a level based on projected attendance at out-of-state industry meetings. Total projected travel expenditures are approximately \$13,000 each year.

DP 18 - Board of Horse Racing Building Rent - The legislature approved approximately \$6,000 in state special revenue authority each year to accommodate increased rental charges due to the Board of Horse Racing's relocation to the old Federal Building. Funding is entirely from the board of horse racing state special revenue fund.

DP 19 - Board of Horse Racing In-State Lodging - The legislature approved approximately \$4,500 in state special revenue authority in each year of the biennium for increased lodging costs for the Board of Horse Racing.

New Proposals										
Program	FTE	Fiscal 2004				Fiscal 2005				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6800 - HB 13 - Pay Plan 01	0.00	0	6,976	0	6,976	0.00	0	29,941	0	29,941
Total	0.00	\$0	\$6,976	\$0	\$6,976	0.00	\$0	\$29,941	\$0	\$29,941

New Proposals

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	21.00	0.00	0.00	21.00	0.00	0.00	21.00	21.00
Personal Services	872,496	73,539	(941)	945,094	73,341	20,732	966,569	1,911,663
Operating Expenses	441,829	178	0	442,007	7,573	0	449,402	891,409
Equipment	19,239	42,261	0	61,500	17,661	0	36,900	98,400
Total Costs	\$1,333,564	\$115,978	(\$941)	\$1,448,601	\$98,575	\$20,732	\$1,452,871	\$2,901,472
General Fund	109,381	(9,856)	(7,614)	91,911	(9,856)	(7,614)	91,911	183,822
State/Other Special	1,214,943	135,074	6,673	1,356,690	117,671	28,346	1,360,960	2,717,650
Federal Special	9,240	(9,240)	0	0	(9,240)	0	0	0
Total Funds	\$1,333,564	\$115,978	(\$941)	\$1,448,601	\$98,575	\$20,732	\$1,452,871	\$2,901,472

Program Description

The Diagnostic Laboratory provides livestock laboratory diagnostic support for the Disease Control Program, Milk and Egg Program, and livestock producers. Testing is done for zoonotic diseases (those animal diseases which can be transferred to humans) and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife, and Parks, and other agencies in protecting the health of animals and wildlife.

Program Narrative

Diagnostic Laboratory Major Budget Highlights	
<ul style="list-style-type: none"> The legislature accepted a proposal for the department to raise fees charged by the diagnostic laboratory to accommodate reduced general fund within the division and make the laboratory more self-supporting The legislative budget includes a reduction of approximately \$15,000 general fund over the biennium, which represents the department's share of a statewide personal services reduction. The reduction was applied to this division, but language included in HB 2 allows the department to reallocate the reduction as necessary during the development of 2005 biennium operating plans 	

Funding

The following table shows funding, by source, for the base year and for the 2005 biennium.

Program Funding Table Diagnostic Laboratory						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 109,381	8.2%	\$ 91,911	6.3%	\$ 91,911	6.3%
02425 Inspection And Control	-	-	1,517	0.1%	6,442	0.4%
02426 Lvstk Per Capita	800,862	60.1%	196,650	13.6%	178,953	12.3%
02427 Animal Health	414,081	31.1%	1,158,523	80.0%	1,175,565	80.9%
03427 Brucellosis Mgmt Federal Funds	9,240	0.7%	-	-	-	-
Grand Total	<u>\$ 1,333,564</u>	<u>100.0%</u>	<u>\$ 1,448,601</u>	<u>100.0%</u>	<u>\$ 1,452,871</u>	<u>100.0%</u>

The Diagnostic Laboratory program is funded with a combination of general fund and state special revenue from the animal health, livestock per capita, and inspection and control state special revenue funds.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					112,957					112,748
Vacancy Savings					(39,418)					(39,407)
Inflation/Deflation					2,774					3,447
Fixed Costs					(64)					(64)
Total Statewide Present Law Adjustments					\$76,249	\$76,724				
DP 4 - Lab Equipment and Operating Adjustments										
	0.00	(9,856)	42,261	0	32,405	0.00	(9,856)	17,661	0	7,805
DP 15 - MSU Facility Recharges										
	0.00	0	7,324	0	7,324	0.00	0	14,046	0	14,046
Total Other Present Law Adjustments										
	0.00	(\$9,856)	\$49,585	\$0	\$39,729	0.00	(\$9,856)	\$31,707	\$0	\$21,851
Grand Total All Present Law Adjustments					\$115,978	\$98,575				

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 4 - Lab Equipment and Operating Adjustments - The legislature approved an increase in state special revenue authority and a decrease in general fund in each year of the biennium for the following adjustments:

- o Repair or replacement of lab equipment, including air conditioner, walk-in cooler, somatic cell counter, cryoscope, tissue imbedding center, and two carbon dioxide incubators. (\$51,465 - fiscal 2004; \$26,865 - fiscal 2005)
- o Removal of one-time-only office equipment expenditures in the base year (\$9,204 reduction each year)
- o The continuation of operating reductions made during the August 2002 Special Session (\$9,856 general fund reduction each year)

DP 15 - MSU Facility Recharges - The legislature approved additional state special revenue authority to accommodate increased facility use recharges paid to Montana State University. Funding is from the livestock per capita fund.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 655 - Personal Services Reduction										
03	0.00	(7,614)	0	0	(7,614)	0.00	(7,614)	0	0	(7,614)
DP 6800 - HB 13 - Pay Plan										
03	0.00	0	6,673	0	6,673	0.00	0	28,346	0	28,346
Total	0.00	(\$7,614)	\$6,673	\$0	(\$941)	0.00	(\$7,614)	\$28,346	\$0	\$20,732

New Proposals

DP 655 - Personal Services Reduction - The legislature applied a further vacancy savings on general fund positions. This reduction equals 1.4 percent of general fund and 0.1 percent of total funds for this agency. This reduction was applied to one program, and language was added allowing the department to reallocate among programs as necessary.

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

Language

"Item [Diagnostic Laboratory Program] includes a reduction in general fund money of \$7,614 in fiscal year 2004 and \$7,614 in fiscal year 2005 for the statewide FTE reduction. The agency may allocate this reduction in funding among programs when developing 2005 biennium operating plans."

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	13.00	5.00	0.00	18.00	5.00	0.00	18.00	18.00
Personal Services	462,131	285,309	5,460	752,900	284,078	23,378	769,587	1,522,487
Operating Expenses	109,535	772,490	0	882,025	773,740	0	883,275	1,765,300
Equipment	24,251	76,749	0	101,000	50,749	0	75,000	176,000
Benefits & Claims	0	0	0	0	0	0	0	0
Total Costs	\$595,917	\$1,134,548	\$5,460	\$1,735,925	\$1,108,567	\$23,378	\$1,727,862	\$3,463,787
State/Other Special	595,917	84,548	3,640	684,105	58,567	15,585	670,069	1,354,174
Federal Special	0	1,050,000	1,820	1,051,820	1,050,000	7,793	1,057,793	2,109,613
Total Funds	\$595,917	\$1,134,548	\$5,460	\$1,735,925	\$1,108,567	\$23,378	\$1,727,862	\$3,463,787

Program Description

The Animal Health Program provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and game farm animals. The program cooperates with the departments of Public Health and Human Services, Fish, Wildlife, and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks.

Program Narrative

Animal Health Division Major Budget Highlights	
<ul style="list-style-type: none"> The approved budget continues the department's participation in the state-federal cooperative agreement for Brucellosis Management and the Greater Yellowstone Interagency Brucellosis Committee 	

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium.

Program Funding Table Animal Health Division						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
02426 Lvstk Per Capita	\$ 580,825	97.5%	\$ 669,013	38.5%	\$ 654,977	37.9%
02427 Animal Health	15,092	2.5%	15,092	0.9%	15,092	0.9%
03427 Brucellosis Mgmt Federal Funds	-	-	1,051,820	60.6%	1,057,793	61.2%
Grand Total	\$ 595,917	100.0%	\$ 1,735,925	100.0%	\$ 1,727,862	100.0%

The Animal Health program is funded with federal special revenue which supports the department's brucellosis management activities, and state special revenue which supports remaining activities of the division.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					151,740					150,805
Vacancy Savings					(24,554)					(24,517)
Inflation/Deflation					2,147					2,939
Total Statewide Present Law Adjustments					\$129,333					\$129,227
DP 1 - Restore OTO Brucellosis Management	5.00	0	0	994,871	994,871	5.00	0	0	994,996	994,996
DP 3 - Restore OTO for Disease Outbreak	0.00	0	5,000	0	5,000	0.00	0	5,000	0	5,000
DP 8 - Vehicle Replacement	0.00	0	1,749	0	1,749	0.00	0	(24,251)	0	(24,251)
DP 20 - Out-of-State Travel	0.00	0	3,595	0	3,595	0.00	0	3,595	0	3,595
Total Other Present Law Adjustments	5.00	\$0	\$10,344	\$994,871	\$1,005,215	5.00	\$0	(\$15,656)	\$994,996	\$979,340
Grand Total All Present Law Adjustments					\$1,134,548					\$1,108,567

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1 - Restore OTO Brucellosis Management - The legislature approved the federal authority necessary to continue the Operations Cooperative Agreement between the Department of Livestock and the U.S. Department of Agriculture (\$750,000 each year) and department participation in the Greater Yellowstone Interagency Brucellosis Committee (GYIBC, \$300,000 each year). This funding was designated as one-time-only for the 2003 biennium and does not show in base year expenditures.

DP 3 - Restore OTO for Disease Outbreak - The legislature approved \$5,000 in state special revenue each year of the biennium to provide the department with the flexibility to respond immediately to outbreaks of serious diseases, including, but not limited to, brucellosis, chronic wasting disease, or anthrax.

DP 8 - Vehicle Replacement - The legislature approved replacement of one vehicle within the division in fiscal 2004. When applied to expenditures already in the base, this results in an increase of \$1,749 in fiscal 2004 and a reduction of \$24,251 in fiscal 2005. Adjustments are made entirely to the livestock per capita state special revenue account.

DP 20 - Out-of-State Travel - The legislature approved an increase in state special revenue authority of approximately \$4,000 each year to adjust base year expenditures to accommodate anticipated out-of-state travel for members of the division.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6800 - HB 13 - Pay Plan 04	0.00	0	3,640	1,820	5,460	0.00	0	15,585	7,793	23,378
Total	0.00	\$0	\$3,640	\$1,820	\$5,460	0.00	\$0	\$15,585	\$7,793	\$23,378

New Proposals

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

Language

The legislature added the following language:

"The department shall report to the 2005 legislature's joint appropriations subcommittee on natural resources and commerce, in a brief summary to be determined by the department, on issues involved with brucellosis management within the state of Montana, including but not limited to bison and elk populations within Yellowstone national park, bison removal activities undertaken by the department in fiscal year 2004 and fiscal year 2005, expenditures within the department for brucellosis management, and the status of federal activities and funding continuity."

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	222,070	(16,733)	1,213	206,550	(16,326)	5,195	210,939	417,489
Operating Expenses	26,313	3,788	7,000	37,101	4,158	7,000	37,471	74,572
Equipment	19,917	(19,917)	0	0	6,083	0	26,000	26,000
Total Costs	\$268,300	(\$32,862)	\$8,213	\$243,651	(\$6,085)	\$12,195	\$274,410	\$518,061
State/Other Special	243,025	(32,862)	1,213	211,376	(6,085)	5,195	242,135	453,511
Federal Special	25,275	0	7,000	32,275	0	7,000	32,275	64,550
Total Funds	\$268,300	(\$32,862)	\$8,213	\$243,651	(\$6,085)	\$12,195	\$274,410	\$518,061

Program Description

The Milk and Egg Inspection Program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

Program Narrative

Milk and Egg Program Major Budget Highlights	
o	No major changes to historical or current operations

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium.

Program Funding Table Milk & Egg Program						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
02427 Animal Health	\$ 243,025	90.6%	\$ 211,376	86.8%	\$ 242,135	88.2%
03032 Animal Health Sp. Rev	25,275	9.4%	32,275	13.2%	32,275	11.8%
Grand Total	<u>\$ 268,300</u>	<u>100.0%</u>	<u>\$ 243,651</u>	<u>100.0%</u>	<u>\$ 274,410</u>	<u>100.0%</u>

The Milk and Egg Program is funded with a mixture of state and federal special revenues. State special revenues are derived from a portion of the tax on all classes of milk sold by producers in Montana. Federal funds are provided by the US Department of Agriculture to conduct shell egg surveillance.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(8,177)					(7,754)
Vacancy Savings					(8,556)					(8,572)
Inflation/Deflation					818					1,188
Total Statewide Present Law Adjustments					(\$15,915)					(\$15,138)
DP 9 - Vehicle Replacement	0.00	0	(19,917)	0	(19,917)	0.00	0	6,083	0	6,083
DP 21 - Out-of-State Travel	0.00	0	2,970	0	2,970	0.00	0	2,970	0	2,970
Total Other Present Law Adjustments	0.00	\$0	(\$16,947)	\$0	(\$16,947)	0.00	\$0	\$9,053	\$0	\$9,053
Grand Total All Present Law Adjustments					(\$32,862)					(\$6,085)

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 9 - Vehicle Replacement - The legislature approved replacement of one vehicle assigned to the Milk and Egg Inspection Bureau in fiscal 2005. This results in a reduction to state special revenue authority of \$19,917 in fiscal 2004, and an increase of \$6,083 in fiscal 2005.

DP 21 - Out-of-State Travel - The legislature approved an increase of \$2,970 in state special revenue authority in each year of the biennium for out-of-state travel for three of four sanitarians assigned to the Milk and Egg Bureau.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10 - Shell Egg Increase										
05	0.00	0	0	7,000	7,000	0.00	0	0	7,000	7,000
DP 6800 - HB 13 - Pay Plan										
05	0.00	0	1,213	0	1,213	0.00	0	5,195	0	5,195
Total	0.00	\$0	\$1,213	\$7,000	\$8,213	0.00	\$0	\$5,195	\$7,000	\$12,195

New Proposals

DP 10 - Shell Egg Increase - The legislature approved additional federal special revenue authority of \$7,000 each year to accommodate additional funding to participate in a hazard analysis of critical control points.

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	61.71	0.00	0.00	61.71	0.00	0.00	61.71	61.71
Personal Services	2,254,715	97,259	18,502	2,370,476	98,833	79,401	2,432,949	4,803,425
Operating Expenses	305,437	12,466	0	317,903	15,272	0	320,709	638,612
Equipment	131,675	2,806	0	134,481	(49,194)	0	82,481	216,962
Total Costs	\$2,691,827	\$112,531	\$18,502	\$2,822,860	\$64,911	\$79,401	\$2,836,139	\$5,658,999
State/Other Special	2,691,827	112,531	18,502	2,822,860	64,911	79,401	2,836,139	5,658,999
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$2,691,827	\$112,531	\$18,502	\$2,822,860	\$64,911	\$79,401	\$2,836,139	\$5,658,999

Program Description

The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

Program Narrative

Brands Enforcement Division Major Budget Highlights

- Increased funding due primarily to adjustment for brand inspector overtime and funding of the statewide pay plan

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium.

Program Funding Table						
Brands Enforcement Division						
	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	Fiscal 2002	Fiscal 2002	Fiscal 2004	Fiscal 2004	Fiscal 2005	Fiscal 2005
Program Funding						
02425 Inspection And Control	\$ 2,090,550	77.7%	\$ 2,046,726	72.5%	\$ 2,107,625	74.3%
02426 Lvstk Per Capita	601,277	22.3%	776,134	27.5%	728,514	25.7%
Grand Total	<u>\$ 2,691,827</u>	<u>100.0%</u>	<u>\$ 2,822,860</u>	<u>100.0%</u>	<u>\$ 2,836,139</u>	<u>100.0%</u>

The Brands Enforcement Division is funded entirely with state special revenues from the inspection and control and livestock per capita state special revenue funds.

Present Law Adjustments										
-----Fiscal 2004-----					-----Fiscal 2005-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					87,960					89,602
Vacancy Savings					(93,708)					(93,776)
Inflation/Deflation					10,170					12,976
Total Statewide Present Law Adjustments					\$4,422					\$8,802
DP 7 - Brands Enforcement Replacement Vehicles	0.00	0	2,806	0	2,806	0.00	0	(49,194)	0	(49,194)
DP 22 - Out-of-State Travel	0.00	0	2,296	0	2,296	0.00	0	2,296	0	2,296
DP 23 - Brand Inspector Overtime	0.00	0	103,007	0	103,007	0.00	0	103,007	0	103,007
Total Other Present Law Adjustments	0.00	\$0	\$108,109	\$0	\$108,109	0.00	\$0	\$56,109	\$0	\$56,109
Grand Total All Present Law Adjustments					\$112,531					\$64,911

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 7 - Brands Enforcement Replacement Vehicles - The legislature approved replacement of five trucks in fiscal 2004 and three trucks in fiscal 2005. When applied to base expenditures, this results in an increase of \$2,806 in fiscal 2004 and a decrease of \$49,194 in fiscal 2005. Adjustments are made entirely to the inspection and control state special revenue fund.

DP 22 - Out-of-State Travel - The legislature approved additional state special revenue authority to adjust base expenditures for anticipated out-of-state travel by Brands Enforcement Division personnel. The increase of \$2,296 each year is from the inspection and control state special revenue fund.

DP 23 - Brand Inspector Overtime - The legislature approved approximately \$103,007 in state special revenue authority in each year of the biennium to continue overtime funding for 46 brand inspectors.

New Proposals										
-----Fiscal 2004-----					-----Fiscal 2005-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6800 - HB 13 - Pay Plan 06	0.00	0	18,502	0	18,502	0.00	0	79,401	0	79,401
Total	0.00	\$0	\$18,502	\$0	\$18,502	0.00	\$0	\$79,401	\$0	\$79,401

New Proposals

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	16.50	0.00	1.00	17.50	0.00	1.00	17.50	17.50
Personal Services	603,165	21,816	38,634	663,615	22,814	54,329	680,308	1,343,923
Operating Expenses	194,526	2,252	8,060	204,838	8,352	8,060	210,938	415,776
Total Costs	\$797,691	\$24,068	\$46,694	\$868,453	\$31,166	\$62,389	\$891,246	\$1,759,699
General Fund	398,104	9,538	23,025	430,667	13,087	29,858	441,049	871,716
State/Other Special	1,791	4,684	0	6,475	4,684	0	6,475	12,950
Federal Special	397,796	9,846	23,669	431,311	13,395	32,531	443,722	875,033
Total Funds	\$797,691	\$24,068	\$46,694	\$868,453	\$31,166	\$62,389	\$891,246	\$1,759,699

Program Description

The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture (USDA) and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Narrative

Meat and Poultry Inspection Program Major Budget Highlights	
○	The legislative budget increases general fund and federal special revenue in the Meat and Poultry Inspection Program to add 1.00 FTE meat inspector

Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium.

Program Funding Table Meat/Poultry Inspection							
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005	
01100 General Fund	\$ 398,104	49.9%	\$ 430,667	49.6%	\$ 441,049	49.5%	
02427 Animal Health	1,791	0.2%	6,475	0.7%	6,475	0.7%	
03209 Meat/Poultry Inspection Sp Rev	397,796	49.9%	431,311	49.7%	443,722	49.8%	
Grand Total	\$ 797,691	100.0%	\$ 868,453	100.0%	\$ 891,246	100.0%	

The Meat and Poultry Inspection program is funded on a 50/50 split between federal funds and the required state match. Per cooperative agreement with the USDA, the state match cannot be provided through a fee on those being inspected by the program. Therefore, the state match for the program is provided by general fund. A small portion of the program's funding comes from the animal health state special revenue account.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					47,856					48,896
Vacancy Savings					(26,040)					(26,082)
Inflation/Deflation					2,252					8,352
Total Statewide Present Law Adjustments					\$24,068					\$31,166
Grand Total All Present Law Adjustments					\$24,068					\$31,166

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - Additional Meat Inspector										
10	1.00	20,938	0	20,939	41,877	1.00	20,902	0	20,903	41,805
DP 6800 - HB 13 - Pay Plan										
10	0.00	2,087	0	2,730	4,817	0.00	8,956	0	11,628	20,584
Total	1.00	\$23,025	\$0	\$23,669	\$46,694	1.00	\$29,858	\$0	\$32,531	\$62,389

New Proposals

DP 5 - Additional Meat Inspector - The legislature approved approximately \$42,000 each year, to be funded 50/50 with general fund and federal special revenue, to support the addition of a 1.00 FTE meat inspector to accommodate an increase of 20 new meat slaughter and/or processing plants within the state. This increase funds the FTE, a leased vehicle, and operating costs.

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.